

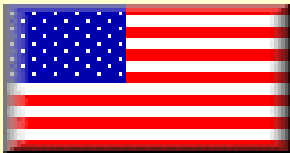
# **AFV Opportunities in Mexico and the impacts of NAFTA**

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# Why Business in Mexico?



- Mexico and the U.S. share a 2000-mile border
- Easily accessible to U.S. Businesses
- English widely spoken
- NAFTA has reduced many trade barriers
- Strong business, social and family ties
- Mexico can act as a springboard into Latin America

# General Information



- Mexico has a population of 97 million
- Approximately 74 % of the population live in urban areas.
- 4 largest cities: Mexico City, Guadalajara, Monterrey and Puebla
- In 1999, the United States provided 74 % of Mexico's imports

# Why AFVs in Mexico?



- Natural gas and propane are domestic  
Both used in residential applications,  
LNG used for industrial purposes
- Propane used in transportation for  
convenience and economic reasons
- Mexico City's AQ problems are well  
known. Gains have come from  
introduction of unleaded gas and  
catalytic converters – what's next step?
- Mexico City has purchased natural gas  
heavy-duty refuse trucks

# Focus on Monterrey



- Monterrey is industrial capital of northern Mexico
- Large volume of goods movement between regional distribution centers of Monterrey and Dallas
- These goods are processed through the port of Laredo: In 1999, 2.8 million freight trucks crossed in Laredo

# Focus on Monterrey



- **Accessible** (only 150 miles from the Laredo, Texas border)
- **Innovations likely to come from Private sector vs. government**
- **Business style similar to U.S.**
- **Large presence of U.S. companies**
- **Skilled labor force**
- **Good natural gas infrastructure**

# NAFTA's Effects



- Trade with Mexico is familiar ground– 85% percent of U.S. goods now enter Mexico duty-free
- Current duties on U.S. goods are between 5 and 10 % and will be phased out by Jan. 2009, or sooner depending on the product
- More U.S. companies in Mexico
- Greater acceptance and demand for U.S. goods

# Current Projects in Mexico



## *International Clean Transportation Corridor (ICTC-3)*

- Program seeks to accelerate the use of alternative fuels and fuel-efficient technologies in heavy-duty vehicles.
- Current focus along the Interstate 35 segment from Dallas – Laredo and along Mexico 85 from Laredo to Monterrey



# Current Projects in Mexico



## *Clean Cities International*

- Establish a Clean Cities Stakeholders Group in Monterrey that will become a Stakeholder in the Laredo Clean Cities Coalition
- Host a Reverse Trade Mission bringing Monterrey fleet operators to Dallas and Houston to see heavy-duty vehicle and fueling operations
- Identify a joint Monterrey - Laredo heavy-duty AFV project

# Points to Consider



- Government in Mexico City area is actively involved in reducing vehicle emissions, less government interest in other areas
- Few government financial incentives and few mandates for vehicle emissions
- Focus on private sector, must include economic results
- Existing conversions are for economics or convenience, not necessarily for environmental benefits

# Use Available Resources



U.S. Consulate/Commercial Service

<http://www1.usatrade.gov/website/website.nsf>

State Departments of Economic Development

Texas: <http://www.tded.state.tx.us/>

Mexico: <http://www.tded.state.tx.us/mexico/>

# Use Available Resources



**American Chamber of Commerce: Mexico**

**[www.amcham.com.mx/](http://www.amcham.com.mx/)**

**U.S. Chambers of Commerce**

**[www.laredochamber.com/infocenter.htm](http://www.laredochamber.com/infocenter.htm)**

**Mexican State Government**

**Mexico City: [www.df.gob.mx/](http://www.df.gob.mx/)**

**Nuevo Leon: [www.gcanales@nl.gob.mx/](mailto:www.gcanales@nl.gob.mx/)**